

Department of Public Safety Consolidation Interim Report

**As Directed by Session Law 2011-145
Section 19.1(iii)**

October 1, 2011



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Office of State Budget and Management

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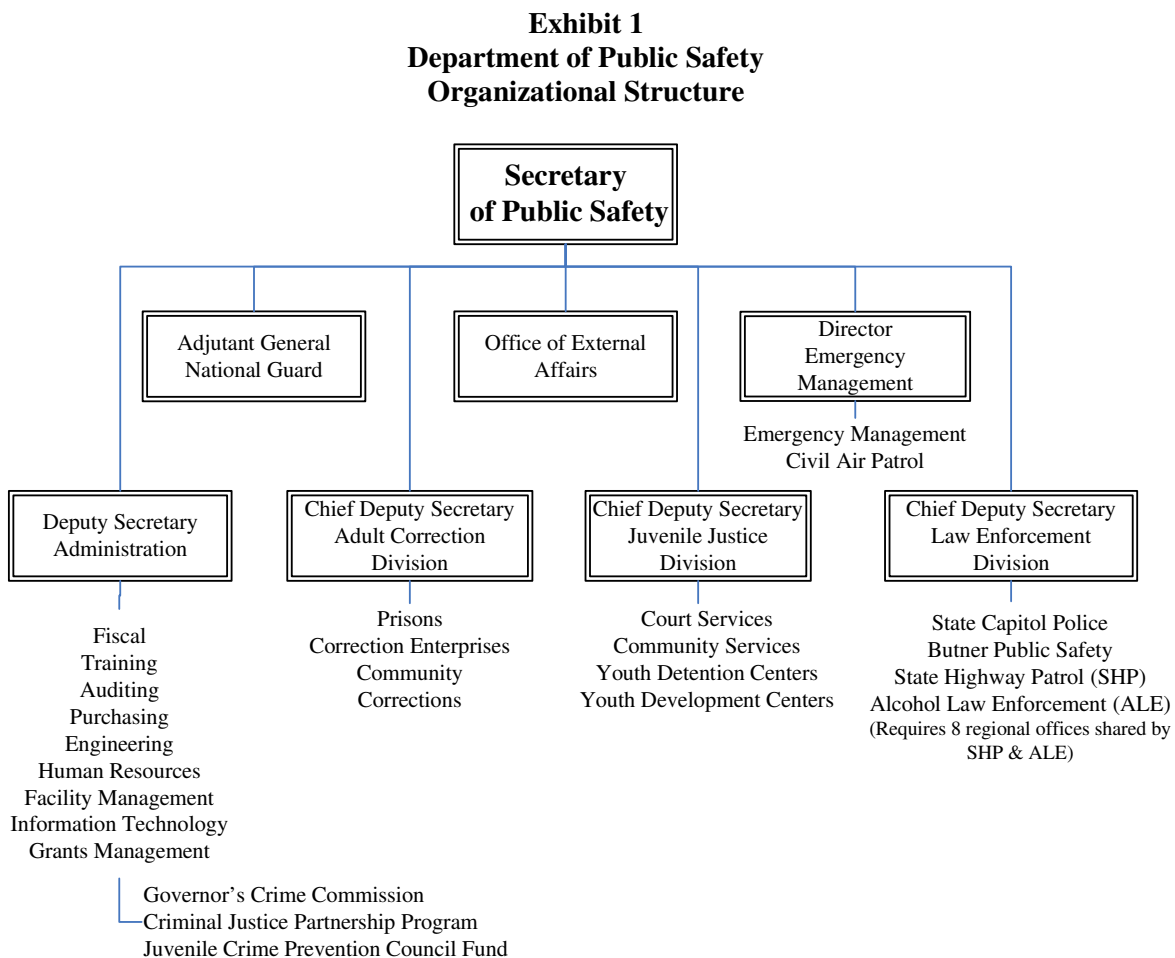
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Background

On March 25, 2011, Governor Perdue issued Executive Order 85 to reorganize the executive branch, including combining departments in the area of public safety. The General Assembly codified the public safety portion of the executive order.

Session law 2011-145 Section 19.1 creates the Department of Public Safety (DPS) requiring the Departments of Crime Control and Public Safety (CCPS), Correction (DOC), and Juvenile Justice and Delinquency Prevention (DJJDP) to consolidate. The law specifies the powers and duties of the new Secretary of DPS along with the organizational structure at shown in Exhibit 1. The effective date of this requirement is January 1, 2012.



To implement this structure, 13 positions were created for DPS which take effective January 1, 2012. Total funds for these positions in the FY 2011-12 are \$818,139 and FY 2012-13 is \$1,563,126. Also, the three Departments must eliminate thirty-four senior management type positions with first year savings of \$1,918,707 and second year savings of \$3,837,413. Positions to be abolished and created are shown in Table 1.

Table 1 Senior Management Positions Eliminations and Additions				
Position	Elimination			Addition
	CCPS	DOC	DJJDP	DPS
Secretary	1	1	1	1
Chief Operating Officer	1	1	1	1
Deputy Secretary	1	2	1	1
Special Assistant to the Secretary/Assistant Secretary	2	1		
Controller	1		1	1
Accounting Director		1		
Accounting Manager		1		
Director of Budget Operations			1	
Communications Director			1	
Human Resources Director	1	1	1	1
Technical Services Manager/IT Director/IT Executive	1	1	1	1
Director of Public Affairs		1		
Legislative Liaison/Legislative Affairs Program Manager	1		1	1
Assistant to Human Resources Director			1	
Executive Assistant		1	1	
Administrative Assistant	2	1		2
Public Information Officer				1
Chief Deputy Secretary				3
Total	11	12	11	13

Session Law 2011-145 Section 19.1(hhh2) requires DPS to create eight regional offices within the Division of Law Enforcement and requires the State Highway Patrol and Alcohol Law Enforcement to collocate at these regional offices. Presently there are eight State Highway Patrol and nine Alcohol Law Enforcement regional offices. Operational savings must be identified by March 1, 2012 and the regional offices must be operational by July 1, 2012. In addition, savings are anticipated from bulk purchasing, merger of regional law enforcement offices, and elimination of duplicative administrative positions. Required savings for FY 2012-13 is \$1,417,693.

Session Law 2011-145 Section 19.2 requires the Offices of State Budget and Management and State Controller to consolidate the budget codes of all three departments to one budget code. The fund codes within the one budget code shall align with the new organizational structure. The new budget code must be established by July 1, 2012.

Additionally DOC must eliminate 60 administrative positions and DJJDP must eliminate 20 administrative positions through the goal of achieving the following benchmarks:

- Human Resources: 1 position for every 150 full-time equivalent positions.
- Fiscal/Budgeting: 1 position for every \$8 million of total budget.

- Purchasing: 1 position for every \$11 million goods or service purchased.
- Required savings for the eliminations of administrative positions totals \$4,265,095.

There are three reporting requirements related to DPS consolidation. The Office of State Budget and Management is responsible for providing interim and final report on the DPS consolidation. DPS is responsible for providing a report on savings, staffing levels and required statutory changes related to the Law Enforcement Division's regional office collocation efforts. All reports are required to be presented to the Joint Legislative Corrections, Crime Control and Juvenile Justice Oversight Committee

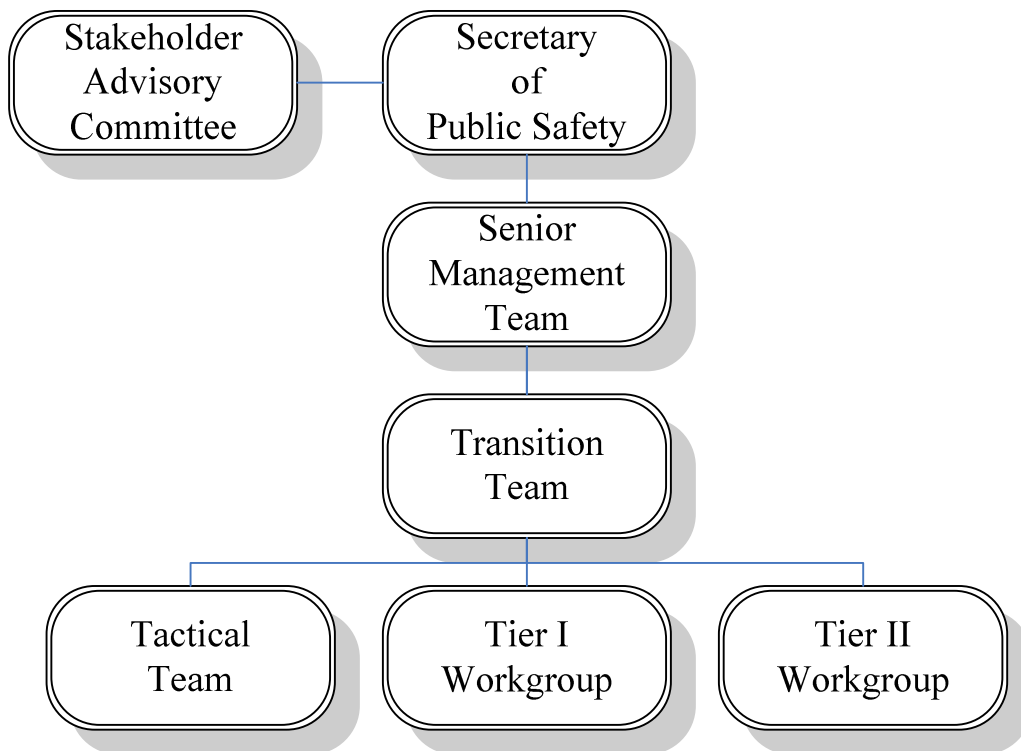
The deadlines for consolidations are:

- Consolidation Progress Report October 1, 2011
- Organization Structure Operational January 1, 2012
- Final Report to Legislature January 15, 2012
- Regional Office Progress Report March 1, 2012
- Reduction in Regional Offices (ALE and Highway Patrol) ... July 1, 2012
- Additional Reduction of \$1,417,693 July 1, 2012
- Establish New Budget and Fund Codes..... July 1, 2012

Implementation Plan

Consolidation of large organizations is often difficult given the amount of personnel, logistics, and business processes involved. Realistically, while statutory deadlines will be met, full consolidation will take significant time. To ensure a smooth transition and gain buy-in from stakeholders and staff, consolidation will be treated as a formal project. Separate committees, teams, and groups will work together through a project organization to ensure consolidation efforts are successful.

Exhibit 2 is a diagram of the project organization.



Work Groups

The bulk of the consolidation work occurs at the work group level. Work groups will:

- Recommend how consolidation of functions and personnel will occur;
- Recommend how savings will be leveraged from these consolidations; and
- Assist in the implementation of the final consolidation plan as directed by the Secretary.

Two tiers of work groups will address the many and varied functional areas that must be examined prior to making consolidation recommendations. Tier I work groups must have work completed and consolidation in their areas operational by January 1, 2012, due to legislative requirements. Tier 2 work groups, while working concurrently with Tier 1, will work towards accomplishing those requirements of the later deadline items due July 1, 2012. Workgroups are identified in Table 2.

Table 2 Workgroups	
Tier I	Tier II
1. Human Resources	1. Facility Maintenance
2. Public Information/Communication	2. Bulk Purchasing
3. Financial Management	3. Warehouses
4. Grants Management	4. Transportation
5. Information Systems	5. Vehicle Maintenance
6. Purchasing	6. Training
7. Internal Audit	7. Regional Law Enforcement Offices
8. Space Allocation	8. Medical, Laboratory Testing Services, and Substance Abuse
	9. Community Services
	10. Education
	11. Administrative Support

Transition Team

The team will manage the consolidation efforts. Responsibilities include:

- Meeting deadline and savings requirements,
- Providing instruction to workgroups,
- Submitting weekly reports and strategic decisions to Senior Management.

Members of the Transition Team include the senior adviser to the secretary and two project managers to ensure milestones and deadlines are met. This team will communicate regularly with the Governor's staff and OSBM.

Stakeholder Advisory Committee

The Stakeholder Advisory Committee will provide high level advice to the Secretary on the possible impacts of strategic consolidation decisions. This committee will include key legislators, outside stakeholders and a Governor's Office representative. It will be staffed by the DPS Chief Operating Officer.

Tactical Committee

Members of this committee work with the Transition Team to cut through any bureaucracy to speed up the processes required to implement structural changes. This committee includes senior staff from the Department of Administration, Office of State Personnel, Office of State Controller, Office of State Budget and Management, and Information Technology Services.

Progress and Accomplishments

Public Safety Staffing

On August 12, 2011, the Governor named Reuben Young as the first Secretary of the Department of Public Safety. The Secretary has selected the senior management team. This includes appointing chief deputy secretaries to the legislatively required divisions. The DPS leadership team is as follows.

- Reuben Young, Secretary
- Mikael Gross, Chief Operating Officer
- Jennie Lancaster, Chief Deputy Secretary for the Adult Correction Division
- Linda Hayes, Chief Deputy Secretary for the Juvenile Justice Division
- Rudy Rudisill, Chief Deputy Secretary for Law Enforcement Division
- Bennie Aiken, Deputy Secretary for Administration
- Rhonda Raney, Director of the Office of External Affairs
- Doeg Hoell, Director of Emergency Management
- Major General Gregory Lusk, The Adjutant General for the North Carolina National Guard

In addition, a number of senior level managers reporting to the Deputy Secretary for Administration (such as Budget Officer, CIO, etc.) have been selected.

Teams, Committees and Workgroups

The Transition Team has been established to oversee the progress of the consolidation. Further, members of the Tactical Team have been identified and have started work on various logistical issues.

The Stakeholders Advisory Committee has been named to provide high level advice to the Secretary on the possible impacts of consolidation decisions. Meetings of the Stakeholder Advisory Committee are scheduled to begin in October. Committee members are:

- Chair, Reuben Young
- Two members of the North Carolina House of Representatives (requested)
- Two members of the North Carolina Senate (requested)
- Governor's Office Representative - Mike Arnold
- Sheriff's Association – Eddie Caldwell
- Fraternal Order of Police – Terry Mangum
- Police Benevolent Association – John Midgette
- NC Victims Assistance Network – Tom Bennett
- Action for Children – Barbara Bradley

As of September 30, the Tier 1 work groups have been identified and have begun to meet. Tier 2 work groups are due to launch by mid-October. The Transition Team and the Senior Leadership Team are in regular communication with these groups and receive regular and thorough updates.

Next Steps

Tier I work groups will continue their efforts to consolidate the operational functions of the department. This will include, but is not limited to:

- Identifying appropriate business processes for each division/operational function.
- Identifying the number and types of positions needed for each division/operational function.
- Reviewing divisions/operational policies such as travel, hiring, procurement, training to develop a single policy for the new department.
- Reviewing assets including IT subsystem to determine needs and/or modification requirements.
- Identifying implementable savings.

Tier I work groups must have work completed and consolidation in their areas operational by January 1, 2012, due to legislative requirements.

By January 1, 2012, the mandated organization structure will be in operation. The senior management team and other key support staff will be collocated in a central headquarters to achieve the highest level of operational efficiencies.

Tier II work groups, while working concurrently with Tier I, will work towards accomplishing the same requirements listed above related to the programmatic function under review. Tier II work groups must have work completed and a minimum saving of \$1,417,693 implemented by July 1, 2012.

The Tier II Regional Law Enforcement Offices is responsible for collocating the 17 State Highway Patrol and Alcohol Law Enforcement regional offices. Statute requires eight regional offices. By March 1, 2012, this work group is responsible for identifying:

- Anticipated savings resulting from collocating personnel and property.
- Counties within each district and the districts serviced by each regional office.
- Staffing levels within each regional office.
- Statutory or regulatory changes.

The budget and fund code work groups are working in conjunction with the Tier I and II work groups to ensure the most effective fund code structure is created and a smooth transition occurs on July 1, 2012.

Although many of the savings and organization changes must take place during fiscal year 2012-13, efforts for operational improvements will continue into future years as the new Department of Public Safety solidifies into a single department.